# DIVERSITY AND INCLUSION essential for better business

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DIVERSITY and inclusion (D&I) is neither just a "nice to have" agenda nor a "number game" any more. Unlike good old days, D&I shouldn't be merely treated as one of those so-called "politically correct" initiatives. There have been number of studies conducted so far to ascertain the benefits of diversity in driving business results. A recent study carried out by McKinsey shows companies in the top quartile for diversity are 35 percent more likely to have financial returns above their respective national industry medians. Another study done by Deloitte, one of the "big four" professional services companies, revealed that diverse companies had 2.3 times higher cash flow per employee over a three-year period than non-diverse companies did.

There are many research findings which suggest inclusive decision-making has a direct link with better business performances. One such study was conducted by famous business magazine Forbes that considered roughly 600 business decisions taken by 200 different teams in wide variety of companies over two years.

The findings were eye openers with regards to the enormous benefits D&I can bring to the businesses: up to 87 percent of the time, inclusive team makes better decisions; they also take faster decisions than non-inclusive teams; and decisions taken and executed by diverse teams delivered 60 percent better results.

Generally, diversity refers to differences. Quite often we limit ourselves only to race, ethnicity and gender to describe diversity. In today's context, diversity has a wider and deeper perspective. The world has changed quite a bit in recent times courtesy of more open-door policy, unprecedented technological advancement, liberalised trade systems, etc. As a result, nations are getting closer facilitating strong socio-economic and cultural exchanges. Overall, of late there has been a dramatic shift in the psychology and thought process of human beings.

Naturally, businesses have to adapt to these changes for their sustainability. Given the present circumstances, diversity in work place should also include religious, political, socio-economic and even sexual orientational differences that exist out there in the society.

Inclusion, on the other hand, refers to creating an environment where employees feel engaged and valued and they are part of the decision-making process and be able to unleash their potentials.

**Let's now focus on how D&I brings positive impacts to business:**

**Innovations**: Employees having diverse background naturally have different ways of doing things, different habits, unique thought process, etc. When these diversities are embraced in the work place, new ideas emerge more frequently as opposed to the place where diversity is absent. In an inclusive organisation new ideas are valued, and people are appreciated for their efforts. In such cases employees also feel proud and get motivated to drive innovations.

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**Better customer service**: An organisation normally has to deal with diverse set of customers. Diverse workforce increases the flexibility and chances to serve customers better.

**Greater access to talents**: Diversity obviously enables an organisation to get access to a wide range of talents as the organisation doesn't restrict itself to a specific group.

**Reduce employee turnover**: Talents are scarce resources and retaining them is often a great challenge for organisations. In an inclusive organisation employees feel valued and appreciated, thus they tend to stay longer.

**Enhance productivity**: Employees with high morale are exceedingly productive. Research shows that the morale of the employees of the organisations which nurture the culture of diversity is higher. People get encouraged and motivated to continuously raise the bar of their performances.

Nowadays, many organisations are talking about diversity, but very few companies function in a way that truly welcome diversity. It is, of course, easier said than done. So, the next critical question comes up: what needs to be done to transform an organisation to genuinely foster diversity? Experts have come up with some suggestions:

**Buy-in from the policy-makers**: It all starts from the board and senior executives of an organisation. D&I represents a paradigm shift therefore, it requires strong commitment from the people at the top. To get the buy-in from the people who pull the strings, a strong business case highlighting the enormous value that this initiative brings to the organisation needs to be presented.

**Dealing with unconscious bias**: In most of the cases, knowingly or unknowingly, organisations promote people with whom they are comfortable with and who are just like them. This mindset is also known as "unconscious bias". An organisation has to first acknowledge that this is a reality which is deeply rooted. Providing extensive training on diversity and inclusion, conscious efforts to identify and eliminate biased language used in work place, allowing underrepresented collegues to raise their voices and creating equal opportunities for everyone are important cornerstones to build a bias-free, diverse and inclusive environment.

**Set targets and have accountability for changes**: To drive D&I agenda strongly, management should have a defined target and they should be held accountable to meet the target. Progress should be monitored regularly as well.

**Aligning company policies**: To accommodate employees from diverse group, company policies need to be aligned. In country like Bangladesh flexible working hours, work from home, progressive maternity leave, etc. will specifically allow and encourage women employees to move ahead with their professional life.

Achieving diversity and inclusion is certainly not easy. It's a daunting task. Antonio Lucio, chief marketing officer of tech giant HP Inc., who is also responsible for making diversity a top priority for the company and its partners, once said, "It's damn hard."

Any initiative gets successful if it answers the basic questions: "Why should I do this?" or "What is in it for me?" Management must clearly articulate and communicate the answers to these questions to the entire organisation to make D&I successful.

Steven Covey, one of the highly respected management gurus, rightfully said, "Strength lies in differences, not in similarities."

The author is chairman and managing director of BASF Bangladesh Ltd. The views expressed here are personal.

# Jet Airways suspends all operations amid fund crisis

AFP, Mumbai

INDIA'S debt-stricken Jet Airways halted all of its operations Wednesday after failing to secure emergency funding from lenders, leaving it teetering on the edge of bankruptcy.

"Jet Airways is compelled to cancel all its international and domestic flights. The last flight will operate today," it said in a statement, adding that the decision would take "immediate effect."

Jet had asked a consortium of lenders led by the State Bank of India to urgently debt resolution plan.

But they have failed to release most of the money and the banks also failed to agree how to proceed after a meeting of several hours on Monday.

The SBI-led consortium is looking for a buyer for Jet and a deadline passed on Friday for prospective bidders to express an interest in acquiring a 75 percent stake in the carrier.

The SBI is yet to announce a shortlist of prospective bidders but Indian media said four were in the running including Etihad Airways, which already owns a 24 percent

REUTERS

**Jet Airways aircraft seen parked at the Indira Gandhi International Airport in New Delhi on April 13.**

provide four billion rupees ($57.5 million) but said that this had not been forthcoming.

"This has been a very difficult decision but without interim funding, the airline is simply unable to conduct flight operations in a manner that delivers to the very reasonable expectations of its guests, employees, partners and service providers," it added.

The airline was once India's second-biggest by market share but is on the brink of collapse with debts of more than $1 billion. Jet was operating just five planes on Wednesday because it could not pay its bills, down from a fleet of more than 120 at its peak.

The carrier has cancelled hundreds of flights in recent weeks, stranding thousands of passengers.

It has repeatedly defaulted on loans and failed to pay staff in recent months.

The consortium took control of Jet in March, pledging to give $218 million in "immediate funding support" as part of a stake. "Jet Airways will now await the bid finalisation process by SBI and the consortium of Indian Lenders," the airline said, adding that it hoped to resume services "as soon as possible".

A collapse of Jet, and the loss of more than 20,000 jobs, would deal a blow to Prime Minister Narendra Modi's pro-business reputation as he seeks a second term in ongoing national elections.

Bad investments, competition from several low-cost carriers, high oil prices and a weak rupee have led to Jet's current financial predicament, experts say.

Mismanagement has also plagued the airline. Analysts trace the start of Jet's financial problems to its 2006 purchase of Air Sahara for $500 million in cash.

Founder Naresh Goyal reportedly ignored the advice of associates who said the cost was too much.

Goyal, 69, launched Jet in 1993 after the Indian government passed a series of reforms designed to make the economy more market-driven.

# US firms no longer 'positive anchor' for Beijing ties

## *Says AmCham in China*

REUTERS, Beijing

FRUSTRATED US businesses can no longer be counted on as a "positive anchor" in US-China relations, a top US business lobby said on Wednesday, arguing any deal to end trade tensions must address structural problems in China's economic system.

Long considered the ballast in a relationship fraught with geopolitical frictions, the US business community in China in recent years has advocated a harder line on Beijing's trade policies.

"Crucially, the mood has shifted," the American Chamber of Commerce in China said in a statement accompanying its annual report on China's business climate.

"The US business community in China, so long an advocate of good bilateral relations, can no longer be relied upon to be a positive anchor. US companies continue to face an uncertain operating environment in China amid decreasing optimism about their investment outlook," it said.

The world's two biggest economies are nine months into a trade war that has cost billions of dollars, roiled financial markets and upended supply chains.

US President Donald Trump has slapped tariffs on $250 billion of goods imported from China to press demands for an end to policies - including industrial subsidies, forced technology transfers, and market access barriers - that Washington says hurt US companies.

China has responded with its own tit-for-tat tariffs on US goods.

The chamber said tariffs had negatively impacted many of its members who "are not necessarily supportive" of their use, but earlier attempts at dialogue had failed to balance economic relations.

"We understand that any true resolution of the current dispute requires addressing the structural issues ... that have long hindered importation of US goods and services and operations of US businesses in China," the chamber's chairman, Timothy Stratford, said in the report.

A chamber survey in February showed a majority of members favored the United States retaining tariffs on Chinese goods while Washington and Beijing try to and joint venture restrictions that often include hidden costs, such as technology transfer, in the automotive, banking, healthcare services, information and communications technologies, and insurance industries. China bars foreign law firms from hiring lawyers who can practice law in the country.

Chinese companies operate sales to China, while doing little to change China's underlying trade practices and industrial policies.

US negotiators have tempered demands that China curb industrial subsidies as a condition for a deal after strong resistance from Beijing, Reuters reported on Monday.

REUTERS/FILE

**Chinese staffers adjust US and Chinese flags before the opening session of trade negotiations between US and Chinese trade representatives in Beijing.**

hammer out a deal to end the trade war.

It noted then that 19 percent of its companies were adjusting supply chains or seeking to source components and organize assembly outside of China as a result of tariffs.

China has pledged to open up, but US companies in many industries in the country are still not receiving the same treatment that Chinese companies experience in the United States, the chamber said.

For example, foreign companies in China are subject to equity caps freely in the United States in all of those industries, the chamber said.

Trump and US negotiators have repeatedly said the trade talks with China were going well.

US Treasury Secretary Steven Mnuchin said on Saturday he hoped the two sides were close to a final round of negotiations, and that a deal - if reached - would go "way beyond" previous efforts to open China's markets to US companies.

But many in the US business community have expressed concern that Trump could settle for a deal that increases commodity

Stratford urged negotiators should get the agreement right and not rush talks to meet an arbitrary deadline. The collapse of an eventual deal might risk a "downward spiral" in relations, he told reporters at a briefing on the chamber's report.

"If that agreement doesn't work, what's going to give us confidence that we should just go back and negotiate?" Stratford said, adding that the two governments might show less restraint.

"I think the downside of having an agreement that doesn't work is considerable," he said.